

Lean Thinking Results at a Salt Lake City Cleaning Equipment Manufacturer

In May 2002, a Salt Lake based manufacturer and international distributor of custom pressure washing, water filtration and effluent collection equipment commenced a Lean Thinking Project with Manufacturing Consulting Services. This client advanced not only in their Physical Transformation processes, but also in their Problem Solving and Information Management processes.

This graph reflects their financial ratios per their fiscal year-end financials as the direct result of steadily pursuing Lean Thinking wherever it lead within their organization. For several years before the project start in May 2002 their financials were relatively flat. By the end of 2002, we completed the initial flow analysis and re-layouts of their Physical Transformation processes. Due to its concrete nature, this was the easier part of the project. In 2003 we commenced improvement projects on their Information Management & Problem Solving flows.

Essentially, this graph reflects the consequences of changing operations to eliminate waste and free up resources and then re-focusing those resources on the biggest opportunities for improvement within the organization to free up even more resources. As time progressed, the focus of the project shifted throughout the organization to wherever value was not flowing to the final customer. The trick is in coaching to “see” waste and then to relentlessly eliminate activities which consume resources but do not produce value.

Note on the Profitability line: over the course of this project, this client more than doubled its average monthly revenue through its main facilities, without increasing their required floor space. They learned, over multiple iterations, how to use both their floor space & their staff more effectively. At the same time, this client increased the amount of operating revenue its owners got to keep (Return on Sales) by just under 600%. Profit = Revenue x Return on Sales.

